

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Fitchburg Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 12, 2016

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY17 (since the amount under the prior schedule was maintained in FY17) and is acceptable under Chapter 32.

The revised schedule reflects a 7.75% investment return assumption (a reduction from the 2014 assumption of 7.95%).

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

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FITCHBURG RETIREMENT SYSTEM

FUNDING SCHEDULE with 3(8)(C) - 15 years: 8.7% increases for three years, 6.0% thereafter
7.75% Discount Rate; RP-2000 Mortality Table Projected with Scale BB and Generational

Fiscal Year	Normal Cost	Unfunded Liability*	Funding Amortization of UAAL	Net 3(8)(C) Payments	Schedule Contribution**	Adjusted Payments	% Change
2018	1,491,143	137,763,234	9,858,446	147,599	11,497,188	11,497,188	8.70%
2019	1,550,789	137,817,409	10,799,056	147,599	12,497,444	12,497,444	8.70%
2020	1,612,820	141,891,631	11,824,302	147,599	13,584,721	13,584,721	8.70%
2021	1,677,333	140,147,547	12,574,872	147,599	14,399,804	14,399,804	6.00%
2022	1,744,426	137,459,557	13,371,767	147,599	15,263,793	15,263,793	6.00%
2023	1,814,203	133,704,594	14,217,818	147,599	16,179,620	16,179,620	6.00%
2024	1,886,772	128,747,001	15,116,027	147,599	17,150,397	17,150,397	6.00%
2025	1,962,242	122,437,375	16,069,580	147,599	18,179,421	18,179,421	6.00%
2026	2,040,732	114,611,299	17,081,855	147,599	19,270,186	19,270,186	6.00%
2027	2,122,361	105,087,976	18,156,437	147,599	20,426,398	20,426,398	6.00%
2028	2,207,256	93,668,733	19,297,127	147,599	21,651,982	21,651,982	6.00%
2029	2,295,546	80,135,406	20,507,955	147,599	22,951,100	22,951,100	6.00%
2030	2,387,368	64,248,578	21,793,199	147,599	24,328,166	24,328,166	6.00%
2031	2,482,863	45,745,670	23,157,395	147,599	25,787,856	25,787,856	6.00%
2032	2,582,177	24,338,867	24,338,867	147,599	27,068,643	27,068,643	4.97%
2033	2,685,464	-	-	147,599	2,833,063	2,833,063	-89.53%

Amortization of Unfunded Liability as of July 1, 2017

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2006	ERI2003 - City	284,348	0.00%	15	284,348	3
2018	Fresh Start	N/A	N/A	15	N/A	15

* Includes recognition of the following asset gains/(losses) in Fiscal 2020:

2020 (\$5,029,355)

** Contribution is set to be the amount resulting from a 8.7% increase on the prior year's contribution, followed by two years of 8.7% increases, and 6% increases thereafter. The contribution in FY2032 increases by 4.97%.